

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

IN RE: OFFICE OF CONSUMER ADVOCATE, Petitioner, v. INTERSTATE POWER AND LIGHT COMPANY, Respondent.	DOCKET NO. FCU-2016-0011
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**RESPONSE TO OFFICE OF COUNSUMER ADVOCATE’S
REQUEST FOR FORMAL PROCEEDING**

COMES NOW Interstate Power and Light Company (IPL) and responds to the Office of Consumer Advocate’s (OCA) Request for Formal Proceeding.

I. BACKGROUND

1. IPL is currently in the process of reviewing the facts surrounding recent customer complaints. That review is on-going, and IPL will update the Iowa Utilities Board (Board) and OCA regarding new or clarified information as it becomes available. However, IPL offers the following preliminary information for background:

a. To help prevent billing errors, IPL’s billing system flags for manual review any account with a meter read that shows a significant variance in usage from prior usage or, if prior usage is unavailable, historical trends. If a manual review of a bill verifying the meter read is not completed by the time the bill should be sent out, an estimated bill is sent. Subsequent bills issued include a “true-up” for the actual usage.

b. Over the last several months, IPL’s billing system flagged for manual review a number of customers’ accounts. In certain circumstances, the manual

review process was not completed prior to when the bill needed to be issued, and an estimated bill was sent to the customer. Some customers subsequently received bills that included a “true-up” to include the actual usage from prior month(s).¹ In some circumstances, this resulted in bills that were higher than customers expected.

2. The Board has received a number of complaints regarding bills received from IPL. IPL is working with the Board to process those complaints, consistent with 199 Iowa Admin. Code ch. 6.

3. IPL filed a request for temporary waiver of the Board’s rules and IPL’s tariffs regarding late fees and disconnection on October 7, 2016, in order to ensure that affected customers are not inadvertently harmed by the application of certain IPL and Board requirements, in Docket No. WRU-2016-0026-0150. Additionally, IPL is conducting a thorough evaluation of its relevant processes and staffing to mitigate the likelihood of this situation reoccurring.

4. On October 4, 2016, OCA filed a Request for Formal Proceeding with the Board, requesting that the Board open a formal proceeding on its own motion.

II. RESPONSE TO REQUEST FOR EXPEDITED PROCEEDING

5. In its Request for Formal Proceeding, the OCA contends that the “large number of complaints filed by IPL’s customers and the impact on those customers create exigent circumstances requiring quick action by the Board to mitigate future impact and damages to IPL’s customers.”² IPL recognizes that the number of

¹ When a meter read was unavailable, an estimated bill would have also been sent out and a later “true-up” bill sent.

² Request for Formal Proceeding at ¶4(i). The OCA’s request contains certain factual assertions and legal conclusions with which IPL does not necessarily agree. IPL will respond to each of those assertions and conclusions upon any appropriate order by the Board requiring such a response. IPL’s current response focuses on a suggested process for resolving this Request for Formal Proceeding and related customer complaints.

complaints filed with the Board may present a unique circumstance, which may benefit from a review. However, IPL disagrees that the Board should open a formal proceeding and hold a hearing regarding the specific Request for Proceeding filed by OCA or the individually-filed informal complaints. IPL, however, believes that a process, such as a workshop, would promote an understanding of the circumstances that occurred in this instance and result in a productive discussion about preventing any recurrence of the situation.

6. First, as indicated above, IPL is reviewing the customer complaints submitted to the Board. Iowa Admin. Code § 6.3 prescribes a specific process for resolving these complaints, including a 20-day response time for IPL. The process is uniquely tailored to timely resolving individual customer-specific complaints, and in IPL's experience it does so to the satisfaction of the vast majority of complainants.

7. Following that process is important in this instance because, based on preliminary analysis, it appears that the circumstances surrounding the customer complaints are not uniform. Some of the complaints relate to customers who received an estimated bill as a result of the manual review process described above. However, it appears that certain other customers that filed a complaint received an estimated bill due to the absence of a meter read. And almost fifty percent of the complaints IPL received from the Board through October 7, 2016, appear to be fully unrelated to estimated bills, and instead raise concerns about bills based on actual meter reads that were higher in the summer than the customer expected. The informal complaints in this last category are no different than those received in prior years when the cooling or heating season is more intense or longer than customers anticipate. Given the apparent varied nature of the complaints, particularized evaluation of each complaint by

IPL and the Board is warranted and required. A formal hearing will likely not be an efficient process to discuss each customer complaint, making it a difficult forum to discuss and move, as appropriate, towards productive solutions.

8. Second, and as indicated above, IPL is in the process of reviewing the facts and circumstances that resulted in the issuance of estimated bills. That high-priority effort could be enhanced by a workshop process conducted pursuant to the Board's broad authority under Iowa Code 476.2 to inquire into utility activities. A workshop may better promote individual and collective customer engagement, should they desire, on broader issues of policy and processes related to estimated billing. A workshop would be less rigid than a formal hearing providing a more-accommodating forum for customers to engage in the process. Moreover, a workshop would provide an opportunity for a thorough discussion, as well as an exchange of insights and information, that can sometimes be difficult in a formal proceeding.

9. Third, a formal hearing process may delay processing and resolving the individual complaints filed by customers with the Board. A workshop process, in tandem with individual review of each of the customer complaints, will provide both the timely, account-specific answers desired by customers as well as a broader process that could help customers, the Board, and the OCA understand the billing process and the reasons the estimated bills were issued.

10. Fourth, a workshop could promote a better understanding of the issues, and should the Board desire a formal proceeding on a specific component, nothing would preclude the Board from pursuing a formal proceeding at a later date.

11. IPL would encourage the Board to not open a formal proceeding on this matter. IPL commits to work to timely resolve individual complaints, while

simultaneously pursuing a workshop format to discuss broader issues related to the estimated bills. IPL will comply with any timeline that the Board orders for such a workshop proceeding, but would suggest the following format and dates:

- October 21, 2016 – Deadline for OCA and IPL to submit a joint format for the proposed workshop, or for OCA and IPL to submit separate formats or elements thereof if consensus cannot be reached.
- November 11, 2016 – Estimated date of Board order approving a workshop format.
- January 27, 2017 – Deadline for completion of all workshop activities, including any information and data-sharing, conducting the workshop, and any follow-up submissions requested by the Board.

WHEREFORE, IPL respectfully requests that the Board decline the OCA's request to initiate a formal proceeding and, rather undertake, to the extent the Board deems necessary, a review of the factual circumstances through a workshop or similar process while specific customers' complaints are resolved through the process set forth in 199 Iowa Admin. Code ch. 6.

Respectfully submitted.

Interstate Power and Light Company

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